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ABSTRACT

In 1988, Joliet Junior College (JJC) initiated a Set-Aside Loan Pool, designed to provide entrepreneurs, who traditionally would not be able to obtain a small business loan because of a lack of equity, with an alternate source of funding. Ten financial institutions were contacted and asked for contributions to the Loan Pool. Over the next five months, follow-up contracts were made to encourage participation and address bankers' reservations about making the contribution as a grant rather than a loan. Other obstacles concerned the size of the requested donation and the fact that monies received from a bank might not be loaned to an entrepreneur from that bank's geographical area. During the first year of the project: (1) the Loan Pool was established and institutionalized through a $5,000 contribution from one local financial institution; (2) the application process and materials were developed and field tested; (3) announcements of ion of the project were publicized; (4) mechanisms for new and expanded partnerships with local financial institutions were developed; (5) a service incubator for entrepreneurs was established; and (6) one round of loan reviews was conducted, though no loans were issued. Full implementation of the program will take place in 1990. Attached is a formal prospectus on the Loan Pool and a description of JJC's Institute of Economic Technology, the administrative department within the college that is responsible for all JJC's economic development activities and that combines its six separate centers for economic related services into one umbrella operation. (AYC)

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Final Report
Keep America Working
Sears Partnership Development Fund

Joliet Junior College

JC 890507

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PROPOSAL TITLE:

Turning Dreams of Small Business Ownership Into Reality for Entrepreneurs Who Traditionally Would Not Be Able to Obtain a Loan

SYNOPSIS OF PROPOSAL:

a. What we aimed to accomplish:

Showcase local financial institutions' commitment to local economic development through an innovative partnership that provides entrepreneurs, who traditionally would not be able to obtain a small business loan because of a lack of equity, with an alternate source of start-up funding.

b. Steps we proposed to achieve this aim:

The first step would be to establish a Set-Aside Loan Pool through contributions from local financial institutions. The second step would then be to publicize and disseminate information to other communities interested in replicating our model.

PROJECT SUMMARY

As a planning grant the project was a success. A Set-Aside Loan Pool was established and institutionalized through a $5,000 contribution from one local financial institution. The application process and materials were developed and field tested. Announcements on the creation of the project were publicized. Mechanisms for new and expanded partnerships were made with local financial institutions. A service incubator was also created for our entrepreneurs as an off-shoot of this project.

As an operational project, the results anticipated were not fully achieved. We received only one contribution from a local financial institution. We did not issue any loans during the grant period. We did, however, mail, receive, and conduct one round of loan review.

Overall, the process for loan initiation is now in place. Contacts with local financial institutions have been made for future solicitations. Fiscal year 90 will now become our implementation year. The concept did become reality and will be continued.

PROJECT NARRATIVE

In May, 1988, Joliet Junior College submitted its application for this award. Even before formal receipt of this planning grant, the College initiated the project. In July a prospectus on the concept was reduced to writing. This prospectus was developed by our Small Business/Entrepreneurship Advisory Committee. The prospectus was then mailed to local financial institutions along with an invitation to attend an informational meeting. Telephone and personal visits were also made to encourage participation.

This informational meeting was held in late July. Ten financial institutions attended. A solicitation to contribute to the Set-Aside Loan Pool was made. Over the next five months follow-up contacts were made to encourage participation and address reservations.

A photo session and press release on receiving the award and the check from local Sears store manager were conducted to initiate our public awareness campaign.

Besides changing a banker's attitudes, the primary obstacles were obtaining the contributions as a grant instead of a loan that did not need to be repaid and getting into the financial institutions' cycle for local contributions. The secondary obstacles were the amount of the contribution request (the same amount regardless of the size of the financial institution) and no assurance that the monies received from a particular financial institution would be loaned to an entrepreneur from their geographical area (we could not guarantee that there would be a

qualified recipient from outlying areas of the district).

In January, 1989, the College received its first $5,000 contribution from First Midwest Bank. The College utilized its First Annual Institute of Economic Technology (IET) Awards Ceremony to receive the check and announce the creation of the Set-Aside Loan Pool. The College also utilized this occasion to announce the creation of a service incubator for our entrepreneur graduates, to establish a Entrepreneurship Hall of Fame, and to initiate an IET Business Partner of the Month. It is our vision that the local Sears store will receive a Special Recognition Award at the IET's Second Annual Awards Ceremony next January.

Over the next four months the final eligibility requirements were determined by our Small Business/Entrepreneurship Advisory Committee. Application materials were mailed in March to past graduates of our entrepreneurship training program. For this first round of loan applications an application deadline was established. A review committee made up of advisory committee members reviewed the applications in June. Since this review committee requested additional information from all five applicants, no loan(s) were granted during the grant period.

The mechanisms for this loan pool are now in place. Hopefully, we will make our first loan(s) this summer. It is our intention to create a revolving loan program and show hesitant financial institutions that a concept of this type is a viable alternate to traditional job training programs and a local economic

revitalization tool. Receiving the Sears-Roebuck Foundation grant did show and give credibility to our project.

REPLICATION

Descriptive materials on our Set-Aside Loan Program are available upon request. Inquiries and questions should be directed to:

Andrew L. Mihelich
Executive Director
Institute of Economic Technology
Joliet Junior College
214 N. Ottawa Street
Joliet, IL 60431
(815) 727-6544, extension 1316

BUDGETARY REPORT

Sears Grant:	$7,000.00
Local Financial Institutions Contributions	5,000.00

Expenses:

	Sears	JJC	Total
Office Staff Salaries	5,326.12	3,794.72	9,120.84
Fringe Benefits	1,617.43	1,484.99	3,102.42
Travel	56.00	0	56.00
Administrative Salaries	0	3,642.55	3,642.55
Fringe Benefits	0	526.62	526.62
Facilities Rental	0	1,987.20	1,987.20
	6,999.55	11,436.08	18,435.63

Attachments

entrep.

ENTREPRENEURSHIP SET ASIDE LOAN POOL PROGRAM

INSTITUTE OF ECONOMIC TECHNOLOGY

PREPARED BY THE
SMALL BUSINESS DEVELOPMENT CENTER

IET IS A DIVISION OF JOLIET JUNIOR COLLEGE

JOLIET Junior College

PROSPECTUS

SET-ASIDE LOAN POOL

"The First Step"

Prepared by

Joliet Junior College
Institute of Economic Technology
The Small Business Development Center

for Presentation before

The Financial Community

of

The Joliet Junior College District

July 28, 1988

INTRODUCTION

In January, 1986, Joliet Junior College established a Small Business Development Center (SBDC). The goal of the SBDC was to provide technical and individualized assistance to small business owners and entrepreneurs. Due to limited staff and resources, our SBDC was forced to limit its services to clients needing long term counseling and training.

To help fill this void, Joliet Junior College established an Entrepreneurship Services Center (ESC) for low-income and unemployed individuals in June, 1986. The goal of the ESC was to establish a comprehensive entrepreneurship education and training program to help this target group start successful businesses.

Since the time the college initiated these projects, we knew that financing and loan acquisition would be a major problem for ESC clients and SBDC "special emphasis" clients. By nature, these target populations do not have the necessary equity or collateral to obtain not only traditional business loans, but also rarely qualify for SBA guaranteed loans or state and local loan programs.

That is correct, because the Small Business Administration, the Illinois Department of Commerce and Community Affairs and even our own SBDC follow generally-accepted credit analysis guidelines, clients with good business plans and good character who lack adequate collateral seldom receive even small loans. During FY 1988, for example, 21 SBDC clients received financing totaling about $3.64 million. Of these 21 clients, 12 were existing companies. Only 9 loans went to startup companies.

What is more, the average loan is over $150,000. As far as the SBDC is concerned this is fine: jobs are created. In FY 1988 the SBDC alone assisted in 154 job creations and 198 retentions and helping 37 businesses startup. However, financing for "micro-businesses," the one-person, self-employment client, has a great deal of difficulty finding any financing around. This is the client the ESC is serving.

In most instances, the self-employment client usually needs between $500 and $5,000 because he or she is dealing in a small service. Often the money is required for supplies, tools, insurance or other basic materials. We believe that once these entrepreneurs have proven themselves to us, the community should support them. Remember, these are individuals and families who will now have a means of support independent of government subsidies. That is helping everyone.

You have been invited here this morning to contribute to what, we believe, is a very beneficial program to provide low-cost, low-risk loans to deserving entrepreneurs. We are asking a contribution from your institution of $5,000 to assist in the startup of this set-aside loan pool. This contribution will be in the form of a grant to Joliet Junior College.

GOALS

As determined by the Small Business Development Center/ Entrepreneurship Services Center Advisory Committee, the primary goals of this loan pool are to

1) teach the client the value system of the business community regarding the lending of monies;

2) assist those clients who do not have the ability to borrow from other conventional sources, relying upon their character and minimum collateral;

3) provide start-up funding, but without intentionally, jeopardizing the principle; and

4) administer the loan pool with a minimum of liability and cost.

5) The loan program will be evaluated annually, however, no final determination about its merits will be made for three years.

LOAN CHARACTERISTICS

Selection criteria has been determined by the Small Business Development Center/Entrepreneurship Services Center Advisory Committee. Based upon federal and state guidelines for ESC and SBA special emphasis clients, each loan is to be structured in the following manner:

1) Successfully completed the ESC program and have a business plan approved the SBDC and in a format recommended by the SBA, SBDC or SCORE.

2) The amount of the loan will range from a minimum of $500 to a maximum of $5,000.

3) An application fee of $75 with a closing fee of $125 will be charged the client. This application fee is strictly a screening device, while the closing fee is to be used to cover administration overhead. Such fees are normal; the same type of fees will be found again by the client whenever applying for a conventional loan in the future. For those clients unable to pay and requesting loans under $1,000, these fees will be waived.

4) Each small business must demonstrate need, i.e., it cannot qualify for a loan from any other commercial or governmental agency.

5) If the small business is capable of pledging equity and/or collateral, it will do so.

6) The qualifying borrower will be determined by the loan committee to be found of good character, the business plan financially sound, and other criteria as is set.

7) Each loan applicant will be evaluated on a case-by-case basis.

8) All decisions of the loan committee will be final.

ADMINISTRATION OF THE LOAN PROGRAM

Administering Agency

The Small Business Development Center/ Entrepreneurship Advisory Committee has also recommended that the loan program be administered by the Institute of Economic Technology. This decision was made to eliminate paperwork and loan collection activities on the part of the participating financial institutions.

The Loan Review Committee

The Set-Aside Loan Review Committee will consist of three (3) to five (5) individuals. Invitations to serve on this committee will be first offered to participating financial institutions on a rotating basis. The number of committee members and length of terms will depend upon participating institution's interest in serving.

All loan applications will be reviewed and recommended to the Loan committee by the SBDC and IET staff. Daily operations and bookkeeping will be administered by the Institute of Economic Technology.

Loan Agreements, Legal Documents & Miscellaneous Forms

Standardized loan documents will be used to prepare loan applications, their closing and other required transactions. IET staff will receive instruction on the proper completion of loan documents from financial institutions that are members of the Small Business Development Center/ Entrepreneurship Services Center Advisory Committee.

The Set-Aside Loan application will be designed by the SBDC and patterned from the Illinois Department of Commerce and Community Affairs's "Womens and Minorities Revolving Loan Fund" application.

Any other forms, documents, or credit rating services may be requested of participating financial institutions.

Legal counseling to the loan committee, if necessary, has been offered pro bono from a local economic development agency.

Collection

IET staff will design a computerized billing system to collect monthly from outstanding loans.

A 60 day grace period will be given each loan recipient after the closing of the loan. If necessary, collection of principle payments only may be negotiated, but not encouraged.

Liability Insurance

Liability insurance coverage for the loan program will be provided in the form of a rider on the College's blanket policy.

Size of the Loan Pool

The size of the loan pool will be determined by the number of participating financial institutions. The Small Business Development Center/ Entrepreneurship Services Center Advisory Committee has recommended a contribution of $5,000.

Interest Rates Charged Clients

A simple interest rate will be utilized with each approved loan. This rate will initially be between 10 percent and 12 percent. Interest rates are to be determined by the Small Business Development Center/ Entrepreneurship Services Center Advisory Committee.

Participating Financial Institutions

To date, the following institutions have expressed an interest in participating in the Set-Aside Loan Program:

- First Midwest Bank/Joliet/Illinois
- Grundy County National Bank
- Southwest Suburban Bank of Bolingbrook
- The City of Joliet Department of Community Development
- Mazon State Bank
- The Kendall-Grundy Counties Department of Community Services

Conclusion

The intent of this Set-Aside Loan Pool is to test its feasibility of providing entrepreneurs, who other would not have the means to start a successful small business, with the opportunity to initiate their business plan.

To our knowledge, this Set-Aside Loan Program concept is the first of its kind in Illinois and the nation. Many universities and economic development agencies have discussed the concept; some have even established advisory boards; but none have actually established a revolving loan fund to directly assist self-employment program entrepreneurs, as we are here in the Joliet Junior College district.

Each financial institution is asked to participate in this pilot program not only as a community service, but also as an economic development tool vital to the revitalization of our economy. You are helping us to fill a niche in services not offered anywhere else in the college district or the state. Most importantly, you are assuring yourselves new future customers with proven track records.

Hopefully, this program will be eventually used by other communities as a model in how local resources can be combined for local economic development growth.

INSTITUTE OF ECONOMIC TECHNOLOGY

The Institute of Economic Technology (IET) is the administrative department within Joliet Junior College responsible for the coordination, enhancement, and expansion of the college's wide array of economic development related activities. The IET combines the college's Business Assistance and Training Center, Dislocated Worker Assistance Center, Small Business Development Center, Entrepreneurship Services Center, Community Assessment Center, and Career Guidance Center into one umbrella operation.

The IET enables Joliet Junior College to maximize its employment and training resources and partnerships into a coordinated and comprehensive economic development service for district businesses and residents.

The major goal of the IET is to effectively and efficiently service the economic development needs within the college's district. Its bottom line is the creation and retention of jobs. Accomplishment of this goal is achieved by:

(1) Being an equal partner in the revitalization of local economies.

(2) Creating and strengthening linkages between and among commerce, industry, education, labor, government, and community organizations.

(3) Assisting local businesses in adjusting to and implementing new technology.

(4) Constantly retraining and updating the area workforce.

(5) Developing the spirit of entrepreneurship.

(6) Serving as the primary provider and broker of training services for this geographic area.

The IET provides the full range of economic development services related to the training needs of district businesses and residents. The scope and depth of these services can best be shown through a description of its six operating divisions.

- The Business Assistance and Training Center (BATC) is a multi-dimensional professional and technical training service for businesses within the college's district.
- The Dislocated Worker Assistance Center (DWAC) is a comprehensive employment and training program for dislocated workers.
- The Small Business Development Center (SBDC) is a comprehensive counseling and training service for small business owners, operators and entrepreneurs.
- The Entrepreneurship Services Center (ESC) is a comprehensive entrepreneurship education and training program for low-income and unemployed individuals.
- The Community Assessment Center (CAC) is a multi-directional vocational assessment service for area employers, community based organizations, and residents at large.
- The Career Guidance Center (CGC) is a professional development and technical assistance service for guidance counselors and vocational educators.

The IET is a function of the Joliet Junior College's Community Services Program and is located at the Louis Joliet Renaissance Center in downtown Joliet. For additional information, contact:

Andrew L. Mihelich
Executive Director
Institute of Economic Technology
214 North Ottawa Street
Joliet, IL 60431
(815) 727-6544 ext. 1316/1314

BUSINESS ASSISTANCE AND TRAINING CENTER

The Business Assistance and Training Center (BATC) is a multi-dimensional professional and technical training service for businesses within the college's district. The BATC provides job training and employee upgrading programs for new and existing businesses. The BATC also acts as the liaison or contact office between the business community and the college's instructional departments.

The services of the BATC are comprehensive in scope and can be tailor-made to meet specific employer needs and company training goals. The BATC's primary services include the following:

- On-site training through custom designed training programs.
- On-site training through regular college credit classes and programs.
- Specialized short term training programs at a number of instructional sites in a variety of manufacturing, maintenance, and high tech areas.
- Seminars on relevant and current topics on a regularly scheduled basis.
- Workshops that address specific skill training competencies.
- Microcomputer training in the latest software packages taught either on-site or in our newly equipped IBM Microcomputer Lab.
- A cadre of training consultants in statistical process control.

Besides quality and practical training programs, the BATC also offers superior trainers. All instructors are chosen for their demonstrated expertise in their fields and their ability to instruct effectively.

Our company-specific training programs emphasize a cooperative effort between the company and the college in assessment analysis and training strategies. This results in task-oriented, competency based training packages complete with measurable outcomes.

In addition, the BATC provides optional college credit, flexible scheduling and enrollment, and choice of training sites. Courses are available at any time that is convenient or fits a company's production schedule. Start and end dates are not dependent on the college's academic year. Sequential scheduling of on-site credit classes that lead to various certificate and degree programs can also be coordinated with company needs surveys.

A directory of the training courses and programs offered by the BATC and a mailing service to keep selective individuals appraised of BATC offerings in their respective areas of responsibility are available upon request.

The BATC also assists district employers in accessing and packaging grant programs available to fund short term training programs for new or expanding businesses or for companies where loss of business can mean loss of jobs.

The BATC is a division of the college's Institute of Economic Technology and is located at the Louis Joliet Renaissance Center in downtown Joliet. For additional information, contact:

Beth Harland Hurst
Director of Seminars
Business Assistance and Training Center
214 North Ottawa Street
Joliet, IL 60431
(815) 727-6544, ext. 1307/1309

Thom Price
Director of In-Plant Training
Business Assistance and Training Center
214 North Ottawa Street
Joliet, IL 60431
(815) 727-6544, ext. 1311/1309

DISLOCATED WORKER ASSISTANCE CENTER

The Dislocated Worker Assistance Center (DWAC) is a comprehensive employment and training program for dislocated workers. A dislocated worker is an individual with an established work record who has lost their job through no fault of their own because of mass layoffs, plant closures, or changes in technology in the workplace. The goal of the DWAC is to return dislocated workers back to the workforce with the skills necessary for today's jobs.

The DWAC provides a variety of services designed to match an employer's immediate and developing workforce needs with the skills of dislocated workers.

The primary services to employers include the following:

- Providing employers with a viable pool of qualified job applicants trained or retrained in a variety of occupational areas.
- Prescreening job candidates prior to referral to ensure applicants meet employer job requirements.
- Developing customized classroom training programs prior to actual employment.
- Utilizing on-the-job training monies to reimburse employers 50 percent of the hourly wages paid to OJT participants.
- Assisting employers in accessing other grant and incentive programs.

Any employer can receive assistance in finding the right person to fit their needs. All services of the DWAC are provided free of charge and on a personalized and professional basis. The DWAC screens and refers participants. The employer selects and hires the participants.

The DWAC is a Title III Job Training Partnership Act (JTPA) program. The DWAC also serves as the administrative agent for the Des Plaines River Valley Enterprise Zone regarding JTPA enterprise zone incentives.

The primary services to eligible participants include the following:

- Vocational and job readiness assessment.
- Career counseling and support services assistance.
- Training or retraining in a variety of occupational areas.
- Job search and job placement assistance.
- Outreach and coordination with community based organizations and state agencies.

Dislocated workers seeking additional information or wanting to make application for the program must first attend an informational session. These sessions are held every Monday at 10:00 a.m. in Room 320 at the Renaissance Center.

The DWAC is a division of the college's Institute of Economic Technology and is located at the Louis Joliet Renaissance Center in downtown Joliet. For additional information, contact:

Tom Mrozek
Assistant Director-Special Projects
Job Placement Coordinator
Dislocated Worker Assistance Center
214 North Ottawa Street, Room 312
Joliet, IL 60431
(815) 727-6544, ext. 1313/1312

Michael Davis
Assistant Director-Technical Issues
Training Coordinator
Dislocated Worker Assistance Center
214 North Ottawa Street
Joliet, IL 60431
(815) 727-6544, ext. 1308/1312

SMALL BUSINESS DEVELOPMENT CENTER

The Small Business Development Center (SBDC) is a comprehensive counseling and training service for small business owners, operators, and entrepreneurs. The SBDC is designed to broker, coordinate and deliver management assistance to small business. The focus is to provide indepth, quality assistance in all areas which promote small business growth, expansion, innovation, increased productivity and management improvement.

The services of the SBDC are tailored to meet the local needs of small businesses and potential small business owners. The primary services of the SBDC include the following:

- Personalized and one-to-one counseling in business planning, loan packaging, management, marketing and a variety of other areas that require specialized expertise.
- Serving as the focal point for linking the resources of Federal, State and local governments with those of colleges, universities, and the private sector.
- Co-sponsoring clinics and workshops in business management, financing, legal concerns, the use of personal computers in a small business and other subjects.
- Acting as a referral mechanism to private businesses and consultants, trade associations, chambers of commerce, local SCORE chapters, technology transfer agents, information specialists, economic development groups, and other service providers.
- Serving as the liaison to financial institutions and other funding sources.
- Technical assistance in the development of a business plan.
- Follow-up and on-going operational support.

The SBDC will evaluate your business needs, provide business plan worksheets and assistance, review commercial and government loan packages in detail, and assist small businesses in finding the experts your company needs.

Any existing or potential business owner within the college's district that meets the Small Business Administration's size standard (less than 500 employees) is eligible for SBDC assistance, and may receive assistance based on resources available to the SBDC. Direct services of the SBDC (counseling, information dissemination, and referral) are free of charge.

The SBDC is part of a larger small business network. Joliet Junior College is a consortium partner with Lewis University and Illinois Valley Community College. The Illinois Department of Commerce and Community Affairs and the Small Business Administration are also active partners in packaging resources and maximizing services to small business.

Other statewide resources such as the Illinois University Resource Network, the Technology Commercialization Centers, and Procurement Centers are also made available to help improve the overall vitality of our small business community.

The SBDC is a division of the college's Institute of Economic Technology and is located at the Louis Joliet Renaissance Center in downtown Joliet. For additional information, contact:

Chris J. Manheim
Coordinator of Small Business Assistance
Small Business Development Center
214 North Ottawa Street
Joliet, IL 60431
(815) 727-6544, ext. 1319/1317

COMMUNITY ASSESSMENT CENTER

The Community Assessment Center (CAC) is a multi-directional assessment service for area employers, community based organizations, and residents at large. Its primary focus is to provide appropriate assessment and vocational guidance services to determine an individual's potential to pursue specific educational and job training/retraining programs in response to changing economic trends and career expectations.

The CAC tailors its services to meet the unique needs of local industries, private attorneys, insurance companies, social service agencies, rehabilitation clients, employed and unemployed individuals, and students of all ages. Assessment, ancillary, and follow-up services are the primary services provided by the CAC. The services offered include:

General & Vocational Assessment

- ability and aptitude testing
- interest inventories
- fine and gross dexterity testing
- academic achievement testing
- written report of assessment findings

Career Development

- career exploration
- occupational awareness
- occupational survival skills training
- job seeking skills assessment
- job seeking skills training
- individualized career guidance

Industrial Consulting

- job/task analysis
- specialized testing for training and apprenticeship programs
- injury and rehabilitation assessment
- customized training

Classroom Training

- college credit programs
- specialized short-term training
- up to $2000 training grants for eligible unemployed participants
- up to $1000 training grants for eligible employed participants

The CAC is also the regional Intake Center for the Prairie State 2000 Authority's Individual Training Assistance Program. Training awards limited to $2000 are available to eligible unemployed participants, and $1000 limit awards are available to eligible employed participants. Awards subsidize tuition, fees, books, and other related training costs. Career assessment and job placement assistance are also provided.

The CAC utilizes a full range of assessment techniques and instruments. The techniques and instruments selected are based upon the population group to be assessed and the reason for assessment. The techniques generally utilized include small group testing with intermittent specialized tests as needed. A variety of paper and pencil, psychometric, and work sample assessment tools are available. Traditional instruments such as the General Aptitude Test Battery (GATB) as well as microcomputer assessment programs are among the resources available. The specific assessment techniques and instruments selected are recommended by the CAC based upon the objectives and needs for assessment.

Selective vocational assessment and testing services can be done on-site. Referral and other support services are also provided through a network of professional consultants in social work, industrial relations, family counseling, and rehabilitation counseling. Professional staff providing these services include two full-time evaluators, both with master degrees and ten years experience each in vocational assessment.

The CAC is a division of the college's Institute of Economic Technology and is located at the Louis Joliet Renaissance Center in downtown Joliet. For additional information, contact:

Sandra Baker McKeon
Project Manager
Community Assessment Center
214 North Ottawa Street
Joliet, IL 60431
(815) 727-6544, ext. 1323/1316

ENTREPRENEURSHIP SERVICES CENTER

The Entrepreneurship Services Center (ESC) is a comprehensive entrepreneurship education and training program for low-income and unemployed individuals. The goal of the ESC is to turn dreams of small business ownership into reality. The ESC provides appropriate assessment, training, start-up, and on-going support services to help potential entrepreneurs own and operate a successful small business.

The services of the ESC are designed to move eligible participants through each of the different stages of the entrepreneurship process. The primary services of the ESC include the following:

- A self-employment assessment...is a small business for you.
- An assessment of your small business idea or dream.
- Individual counseling, classroom training, and peer support groups.
- Management development and small business related seminars and courses.
- Technical assistance in securing appropriate financing.
- Development of a viable business plan for the formation of the new business.
- Actual business start-up and follow-up assistance.

Our entrepreneurship education and training program consists of four phases with appropriate local and state resources integrated into the overall design. The four phases are:

(1) Recruitment

(2) Screening and selection

(3) Training

(4) Start-up and on-going support

The recruitment phase consists of two functions: referral and marketing. The screening and selection phase consists of assessment and testing through a variety of instruments and techniques. The training phase consists of three stages: pre-entrepreneurship training, entrepreneurship training and post-entrepreneurship training. The start-up and on-going support phase consists of two parts: acquisition of financing and operational support.

The core component is an eight week training course. This course consists of established benchmarks and checklists of competencies needed by successful entrepreneurs. The end result of this course is the development of a business plan. There are also a number of ancillary components, such as workshops and peer support groups, that help potential entrepreneurs develop the general business skills essential for starting and operating a small business. Follow-up management assistance is also provided to help a new small business stay in business.

The ESC is targeted to assist low-income and unemployed individuals. Priority for selection into the program is given to individuals who meet both of these criteria. Informational and eligibility determination sessions are held at scheduled times throughout the year.

The ESC is a division of the college's Institute of Economic Technology and is located at the Louis Joliet Renaissance Center in downtown Joliet. For additional information, contact:

Stan McEwen
Coordinator of Entrepreneurship Services
Entrepreneurship Services Center
214 North Ottawa Street
Joliet, IL 60431
(815) 727-6544, ext. 1315/1317

CAREER GUIDANCE CENTER

The Career Guidance Center (CGC) is a professional development and technical assistance service for guidance counselors and vocational educators. The CGC serves both school and agency staff members involved in vocational guidance. The CGC is designed to improve, expand, and extend career guidance and counseling programs to meet the career development, vocational education, and employment needs of youth and adults.

The two-fold mission of the CGC is to (1) assist guidance providers of public and private educational agencies in the improvement of vocational guidance services for students and (2) to provide technical assistance for professionals in community agencies who are serving the guidance needs of out-of-school individuals.

The CGC provides a wide variety of services and programs including individual consultations, workshops, in-service training, newsletters, financial incentives, and other activities that promote and enhance career guidance. The CGC also serves as a reference, referral, and resource center for guidance providers. The CGC can assist in:

- Developing or improving local vocational guidance programs.
- Developing professional skills to deliver vocational guidance services.
- Keeping current on occupational and educational information.
- Identifying exemplary guidance practices and procedures within the region.
- Expanding current guidance programs by providing mini-grants.
- Developing strategies for marketing comprehensive guidance programs.

There are also eight general program priorities of the Career Guidance Center. These priority issues are as follows:

(1) guidance by objectives
(2) education for employment
(3) sex equity
(4) individualized career planning
(5) local labor market information
(6) placement
(7) community resources
(8) computerized guidance

Expanded linkages between business and education and support of sex-equity efforts have been among the top goals of the CGC. The CGC has sponsored tours of regional businesses for several years. More recently, the CGC has administered a mini-grant program which provides financial incentives to local educational agencies and community based organizations for programs designed to combat the effects of sex-role stereotyping on career choice.

The CGC also acts as a scoring agent for the Strong-Campbell Interest Inventory and as the college's distributor of its Self-Directed Career Center.

The CGC services Will, Grundy, Kendall, LaSalle, Marshall, and Putnam Counties. Joliet Junior College's CGC is the Region 5 Career Guidance Center and is one of twelve such centers across the state funded by the Illinois State Board of Education - Department of Adult, Vocational and Technical Education.

The CGC is a division of the college's Institute of Economic Technology and is located at the Louis Joliet Renaissance Center in downtown Joliet. For additional information, contact:

Dr. Jack Cutler
Coordinator
Career Guidance Center
214 North Ottawa Street
Joliet, IL 60431
(815) 727-6544, ext. 1318/1316

JOLIET JUNIOR COLLEGE
1216 HOUBOLT AVENUE
JOLIET, ILLINOIS 60436-9985

March 30, 1989

(Gender, Fname, Lname)
(Address1)
(City, State Zip Code)

Dear (Gender, Name)

IT'S TOUGH TO BORROW MONEY TO START UP A BUSINESS...
FINALLY, SOMEONE HAS ADDRESSED THIS PROBLEM...

Joliet Junior College's Institute of Economic Technology is pleased to announce that the Entrepreneurship Set Aside Loan Program is now operational. IET is very proud of its role in establishing this capital fund for worthy graduates of our entrepreneurship training classes.

We wish we had more to lend out. Unfortunately at this time we have only $5,000 available. We regret that the effect of this $5,000 limitation on our capital pool will be:
1) Competition for loans will be seen; and
2) We will be unable to service the needs of all the individuals who completed our entrepreneurship training program.

Nevertheless, at this time, we have decided to move forward and start lending money. We will concentrate on securing additional funding in the future. Hopefully, after the Set Aside Loan Program has a track record, and three or four successful loans are paid back, we will succeed in raising additional capital for start ups.

In a nutshell, this is how the Entrepreneurship Set Aside Loan Program works:

WHO QUALIFIES

--Graduates of our entrepreneurship training classes
--of good character
--who present a financially sound business plan
--who demonstrate need (who do not qualify for a loan from a commercial bank or
--governmental agency)
--who are willing to pledge collateral, if available
--who owe no money to Joliet Junior College, the Illinois Dept. of Revenue or
--the Internal Revenue Service

INTEREST RATE

--Fixed rate financing.
--Prime rates as of the date the loan is approved.
--Currently, prime is 11.5%.

LOAN APPLICATION FEE

--Regularly $75.00.
--Waived for this initial round of financing.

CLOSING FEE

-- $125.00 for all loans.
-- waived only if the loan is less than $1,000 and the applicant demonstrates exceptional financial woe.

TERMS OF THE LOAN

--Flexible payback period
--Standard amortication schedule.

DEADLINE FOR APPLICATIONS

--Monday, April 30, 1989.
--3 p.m., Room 314. Received by Debby Specht.

If you are interested in applying for a business loan through the Entrepreneurship Set Aside Loan Program, please complete the enclosed application and return it to IET (c/o Debby Specht) by April 24. We encourage you to take advantage of this unique opportunity.

If you have any questions, feel free to telephone IET at 815/727-6544, x1314 between 8:30 AM and 4:00 PM. Ask for Debby Specht.

Sincerely,

Andrew L. Mihelich
Executive Director
Institute of Economic Technology

Attachment

ENTREPRENEURSHIP

SET ASIDE LOAN POOL APPLICATION

JOLIET JUNIOR COLLEGE

INSTITUTE OF ECONOMIC TECHNOLOGY

■ Tell Us A Little About Yourself

Loan Applicant's Name _____

Street Address at Home _____

City, State, Zip Code _____

Telephone # (Home) _____

Social Security # _____

Loan Applicant's Sex _____ Male _____ Female

Your Business's Name _____

Street Address of Business _____

City, State, Zip Code _____

Telephone at Business _____

Third Phone Number _____

Month and Year of Graduation
from Joliet Junior College's
Entrepreneurship Program _____

How many hours a week do you work in your business? _____

Are you currently employed elsewhere? _____ Yes _____ No

Employer's Name _____

Address of Employer _____

City, State, Zip Code _____

Employer's Telephone _____

Marital Status: (check one)

Single _____ Married _____

Divorced _____ Legally Seperated _____

Spouse's Name _____

Spouse's Social Security # _____

Is your spouse supportive of your efforts to establish this business? _____ Yes _____ No

Is your spouse willing to co-sign this loan? _____ Yes _____ No

Is your spouse currently employed elsewhere? _____ Yes _____ No

Spouse's Employer _____

Address of Employer _____

City, State, Zip Code _____

Spouse's Employer's Phone Number _____

■ Provide Us With Important Information About Your Business

In one short paragraph, describe your business.

_____

_____

_____

Legal Structure: ___ Sole Proprietorship ___ Partnership ___ Corporation

Names of all shareholders/partners and the percentage of their ownership:

_____ _____%

_____ _____%

_____ _____%

Date Business Was Established: _____

Estimate of Start Up Costs You Have Incurred to Date (Money You Have Put Into the Business): _____

Revenue/Sales and Expense Figures for the Past 6 Months

Month						
Sales						
Expenses						

Number of Sales/Customers Service/Jobs:

During 1987 _____

During 1988 _____

During 1989 _____

Do you have an accounting system in place to provide us with monthly accounting statements? _____

When legal problems arise in your business, what steps will you take to resolve them? _____

LOAN AMOUNT AND PURPOSE

How much of a loan do you need? $_____.

The loan amount will be used for what purpose? (New Equipment, Improve Operations, etc. Be specific.)

_____

_____

_____

_____

LOAN TERMS

Ideally, how would you like to repay this loan? (Over what period of time, in what amount for each payment?)

_____

_____

_____

COLLATERAL

How will the loan be secured? Specify collateral to be offered as security.

_____

_____

_____

_____

NEEDS ANALYSIS

Explain the experiences you have had trying to raise money for your venture. What avenues have you pursued?

_____

_____

_____

_____

CREDIT HISTORY

What is your credit history like?

Good_____ Okay_____ Bad_____

Comments: _____

_____

_____

_____

Money currently owed to Joliet Junior College: _____

Money currently owed to IRS for Social Security and federal income taxes:

_____

Money currently owed to Illinois Department of Revenue for state income taxes:

_____

■ References

List 3 individuals we can contact on your behalf:

1. Name _____

   Address _____

   City, State, Zip Code _____

   Phone number _____

2. Name _____

   Address _____

   City, State, Zip Code _____

   Phone number _____

3. Name _____

   Address _____

   City, State, Zip Code _____

   Phone number _____

■ Required Attachments

"Comprehensive" Business Plan.....which includes, at a minimum the following:

A. Personal Financial Statement

B. Business Balance Sheet

C. Business Income Statement

D. Cash Flow Projection

E. Detailed Description of Equipment You Want to Purchase

■ For Business Plan Assistance See:

1) SBDC BUSINESS PLAN WORKBOOK

2) SBDC BUSINESS PLANNING questionaire

JOLIET Junior College

NEWS RELEASE

OFFICE OF COMMUNITY RELATIONS • 1216 HOUBOLT AVE • JOLIET, IL 60436 • (815) 729-9020 EXT 352

JJC RECEIVES $7,000 GRANT THROUGH "KEEPING AMERICA WORKING" PROJECT

FOR RELEASE NOV. 22, 1988

Joliet Junior College recently received a $7,000 planning grant from the Sears-Roebuck Foundation's Partnership Development Fund through the national Keeping America Working project. The Sears Fund is directed by the American Association of Community, Technical and Junior Colleges and is co-sponsored by the Association of Community College Trustees. The college is using the money to support the creation of a set-aside loan pool for people starting new businesses. On hand for the presentation of part of the grant are, from left, Dr. James D. Lepanto, JJC vice president for academic affairs; College President Raymond A. Pietak; Terry Lenkey, manager of Sears Roebuck Company store in Joliet; Andrew L. Mihelich, executive director of JJC's Institute of Economic Technology, and Richard R. Brandolino, JJC dean of community services and continuing education.

# # # #

ERIC Clearinghouse for Junior Colleges

DEC 15 1989